

CHAPTER 830
RAIL ASSISTANCE PROGRAM
[Prior to 6/3/87, Transportation Department [820]—(10,C)Ch 1]

761—830.1(327H) Definitions. The following terms when used in this chapter shall have the following meanings:

Branchline. A rail line that carries less than five million gross ton miles per mile per year, including its terminal and yard facilities, spurs, sidings, switches, and connections.

Economic analysis. An analysis of the present value of the project's estimated economic benefits versus the present value of the project's estimated economic costs, to estimate the economic efficiency of resource utilization for a proposed project from a social perspective.

Economic development project. A project involving the restoration, improvement, conservation, or construction of a branchline or mainline and resulting in the nonspeculative creation of new jobs or income or the retention of existing jobs or income that would otherwise be lost to Iowa.

Financial analysis. An analysis of the distribution of estimated financial benefits of the project. It shall include an analysis of the financial benefits to the public resulting from the project versus the financial costs of public contributions to the project. Where feasible, it shall also include an estimate of the financial benefits to the carrier resulting from the project versus the financial costs to the carrier of its participation in the project. It may also include a cash flow analysis of the carrier's ability to perform the project and to repay any loans.

Mainline. A rail line that carries at least five million gross ton miles per mile per year, including its terminal and yard facilities, spurs, sidings, switches, and connections.

Other sources. A financial participant in a project other than the federal local rail assistance program or the Iowa rail assistance program.

Rail assistance project. A project involving the restoration, improvement, conservation or construction of a branchline or mainline used in common carrier freight service.

761—830.2(327H) General information.

830.2(1) The department shall administer state and federal funds available for projects under this chapter and shall determine the percentages of these funds to be used for each project. State funds are governed by Iowa Code chapter 327H.

830.2(2) Information regarding rail assistance projects is available from the department's office of program management; telephone (515)239-1145. Information regarding economic development projects is available from the department's office of project planning; telephone (515)239-1225. Written communications should be directed to the attention of the appropriate office at the following address: (name of office), Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

761—830.3(327H) Rail assistance projects.

830.3(1) Eligibility. A project must meet the definition of "rail assistance project" in rule 830.1(327H) to be eligible for rail assistance project funding.

830.3(2) Application. The applicant shall submit the application for a rail assistance project to the office of program management. Applications may be submitted at any time. The department shall evaluate each rail assistance project application within a reasonable period of time.

830.3(3) Participation requirements. A rail assistance project shall require a minimum participation of 20 percent of eligible costs from other sources.

830.3(4) *Evaluation and approval.*

a. The department shall evaluate each rail assistance project application and shall rank the projects in priority order. Priority shall be based on immediacy of need, funding availability, economic analysis, financial participation by other sources, financial analysis and other identifiable benefits to the state. An application for completion of a phased project may be given funding preference.

b. The department and the applicant shall negotiate a contract specifying the obligations and responsibilities of each. The contract shall be submitted to the commission for approval. If appropriate, the department shall submit the contract to the federal railroad administration and shall apply for federal funds.

761—830.4(327H) Economic development projects.**830.4(1) *Eligibility.***

a. A project must meet the definition of “economic development project” in rule 830.1(327H) to be eligible for economic development project funding.

b. The applicant for an economic development project must be a county or a city.

c. The location decision for a project must be contingent upon economic development funding.

d. The factors listed in Iowa Code section 315.11 shall be considered when determining project eligibility.

830.4(2) *Application.* The applicant city or county shall submit the application for an economic development project to the office of project planning.

830.4(3) *Participation requirements.* An economic development project shall require a minimum participation of 20 percent of eligible costs from other sources.

830.4(4) *Evaluation and approval.*

a. The department shall evaluate each economic development project application within a reasonable period of time and may consult with other agencies or organizations having economic development responsibilities.

b. If, upon completion of a project review, the application meets the eligibility criteria for an economic development project, department staff shall present the application to the commission for action at its next meeting.

c. The decision to fund an economic development project application shall be the responsibility of the commission.

(1) The commission may fund all or any part of an application and may make a conditional funding commitment. In making its decision, the commission shall consider the amount of total capital investment per dollar requested, the amount of dollars requested per job created or retained, the amount of financial participation in the project from other sources, other potential benefits of the project, and the transportation need and justification.

(2) The commission may deny funding for a project that will not result in net job creation or job retention from a statewide point of view; for instance, a project that simply involves the relocation of jobs or other economic activity within the state.

d. After commission approval, the department and the applicant shall negotiate a final contract. The contract shall specify the responsibilities for project planning, design, right of way, contracting, construction and materials inspection, documentation, ownership, maintenance and security of financing.

e. The commission may revoke a funding commitment, seek repayment of funds loaned or granted, or take both actions when the applicant fails to fulfill the terms of the contract.

f. Funds committed for a project are for a maximum dollar amount.

Cost overruns are the responsibility of the applicant.

761—830.5 Reserved.

761—830.6(327H) Implementation.

830.6(1) *Preaudit.* Prior to execution of the contract, the department may perform a preaudit evaluation of the applicant or any other source. The preaudit evaluation may include: An examination of accounting methods and procedures to determine the ability to segregate and accumulate costs to be charged against the project and to be charged for subsequent maintenance of the rail line; an examination of cost factors to ensure their propriety and allowability; and an examination of any other general information available which might be pertinent or necessary in determining auditability.

830.6(2) *Eligible costs.* Costs eligible for reimbursement shall be stated in the contract. Contract administration expenses incurred by other sources are not eligible for reimbursement.

830.6(3) *Subcontracts.* A negotiated subcontract to be billed as a reimbursable project cost by other sources is subject to departmental approval before the subcontract work is performed.

830.6(4) *Project reporting.* The applicant or other sources shall submit to the department written notice when work begins on a project, monthly progress reports, itemized billing statements pursuant to the contract, written notice of project completion, and a final billing statement of all project costs.

830.6(5) *Project monitoring.* The department shall monitor the project work through periodic on-site inspections and shall conduct a final inspection of work completed and material used. The department may conduct a final audit of all project costs.

These rules are intended to implement Iowa Code chapter 327H.

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